IT Activity Business Case & Cost Analysis (IT ABC Form)

I.   General IT Activity/Project Information

IT Activity/Project Name:		Date Submitted:	
Agency/Department:		Project Sponsor:	
Business Lead:		Project Manager:	
Business Manager:		Program Code:	

Alignment with IT Strategic Plan:

- ☐ Modernize Critical Technologies
- ☐ Enable Productivity Improvement in State Services
- ☐ Create New Solutions Partnering with State Agencies
- ☐ Operate IT Effectively and Efficiently
- ☐ Ensure the Sustainability of IT Capabilities

Primary Objective:

- ☐ Renew/Amend a contract for the same technology
- ☐ Perform a technology needs/solution assessment
- ☐ Upgrade an existing technology
- ☐ Implement a new technology for a manual process/function
- ☐ Pilot a new technology
- ☐ Replace an outdated technology
- ☐ Other (*please describe*):

Where will the data used/produced by this IT Activity be stored?	
If **"Other"** please explain.	
Is this or will this be a mission critical system for your Department/Agency?	

II.   New IT Activity/Project Costs

1	**Lifecycle** (*How many **years** do you plan to use the solution? If for an indefinite period, enter 20.*)	
A	What happens at the end of the lifecycle?	
2	**List the Implementation Costs for the New Solution**	
A	Installation/Implementation costs	
B	Hardware	
C	Software / Licenses	
D	Other State Labor Hours (*Use actual hourly rate(s) or estimate using $36 x # of hours*)	
E	Project Management	
F	Other Professional Services (*Technical, Business Analysis, Training, etc.*)	
G	Other:	
H	**Sub-Total of Implementation Costs**	
I	**DII Project Management Oversight & Enterprise Architecture Services** (*For budgeting only, 3% is applied.*)[1]	
J	**Estimated Total Implementation Costs**	
3	**List the Estimated On-Going Annual Operating Costs**	
A	State Labor Hours (*Use actual hourly rate(s) or estimate using $36 x # of hours*)	
B	Annual Maintenance Agreement	
C	Hosted Cloud Provider Service	
D	Hardware	
E	Software / Licenses	
F	Consulting / On-going Professional Services	
G	Other:	
H	**Total Estimated On-Going Operating Costs**	
4	**Estimated Lifecycle Operating Costs**	
5	**Estimated Sub-Total Cost of New Solution**	
6	**Independent Review Costs** (*For budgeting only, $25k is automatically populated when line item above is $1m & over.*)[1]	
7	**Estimated Total Cost of New Solution**	

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[1] See "*Instructions for Completing the IT ABC Form*" document for additional detail.
http://dii.vermont.gov/sites/dii/files/pdfs/IT-ABC-Form-Instructions.pdf

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III. Current Costs

1	**Current Costs** *(What are the current costs for meeting this business need today?)*	
A	State Labor Hours *(Use actual hourly rate(s) or estimate using $36 x # of Hours)*	
B	Annual Maintenance Agreement	
C	Hardware	
D	Software \ Licenses	
E	Hosted Cloud Provider Service	
F	Supplies *(Postage, Paper, etc.)*	
G	Other:	
H	**Total Current Costs**	
2	**Total Current Cost Over Span of New IT Activity Lifecycle**	

IV. IT Activity's Estimated 5 Year Costs

Fiscal Year	Implementation Costs	Funding Source for Implementation Costs	Operating Costs	Funding Source for Operating Costs
Current		State %: Federal %:		State %: Federal %:
Next		State %: Federal %:		State %: Federal %:
FY3		State %: Federal %:		State %: Federal %:
FY4		State %: Federal %:		State %: Federal %:
FY5		State %: Federal %:		State %: Federal %:

If State funding is required, do you have the money to pay for all the current fiscal year costs of this IT Activity/Project out of your current budget?	
If you answered No to the above, what is your plan to obtain funding?	
Was this IT Activity included in your most recent budget submission to Finance and Management?	

V. Business Case

1	What is the business need/problem you are trying to solve?	
2	What is your proposed solution/approach?	

3	Are there any significant barriers or risks related to this project or the proposed solution? If so, please briefly describe them and how they will be addressed.	
4	Has your proposed solution succeeded in other States or in other related industries? If so, where?	
5	If your proposed solution has not been used in other States, then what are other States doing to solve this same business need?	
6	Will this IT Activity/Project result in an increase in efficiency/effectiveness for the State? If so, how?	
7	Will this IT Activity provide a new or enhance an existing customer service? If so, please describe.	
8	Will this IT Activity fulfill a compliance obligation that was not previously fulfilled? If so, please describe.	
9	Will your IT Activity generate revenue for the State? If applicable, explain how the new IT Activity will increase revenue.	

Template last updated: January 16, 2014

VI.   IT Activity Benefits Chart

Select the top 3 benefits of executing this IT Activity.

Organizational Benefits	Operational Benefits
☐ Improve Customer Service	☐ Decreases Employee Workloads
☐ Improves Communication with Customers &/or Partners	☐ Eliminates Non-Value Added Activities
☐ Meets State Compliance	☐ Improves Internal Communication Between Departments and Groups
☐ Meets Federal Compliance	☐ Increases Employee and Process Productivity
☐ Meets Legal Compliance	☐ Simplifies Processes and Workflow Steps
Financial Benefits	**Technological Benefits**
☐ Enables Cost Avoidance	☐ Improves Application/System Performance & System Utilization Rate
☐ Increases Revenue of Existing Sources	☐ Increases System Reliability
☐ Reduces Infrastructure Costs	☐ Strengthens Security (Application, Data &/or System)
☐ Decreases Maintenance & Support Costs	☐ Environmentally Friendly Solution /Sustainability
☐ Reduces Use of Paper and/or Other Supplies	☐ Reduces Hardware, Software &/or Other IT Infrastructure Needs

☐ Other (Please explain.)

VII.   Information Security

1	Does the solution store/transport/control access to confidential/sensitive/nonpublic information and/or represent significant reputational risk to the State?	
2	If yes, check all applicable: ☐ Personally Identifiable Information ☐ Information Regarding Credit Card Payments ☐ Health Related Information ☐ Tax Information Obtained from Federal Government ☐ State of VT Employee Confidential Information ☐ Other Sensitive, Confidential, or Non-Public Information	
If "**Other**", please explain.		

VIII.   Net Impact to State Operating Costs

*(*Skip this section if your IT Activity is 100% federally funded.*)*

1	Net Impact to State Operating Costs	
2	Will an increase in Operating Costs be off-set by the additional revenue that this IT Activity will generate?	
3	If the answer to #2 is yes, what is the expected amount of the annual revenue increase?	

Your Commissioner or Deputy Commissioner approval is needed to authorize an increase in operating costs. *(i.e., if #1 (above) is a positive number and you didn't answer "Yes" to #2).*

IX.   Comments or Additional Business Justification for this IT Activity/Project

X.   DII Approval

Name	Title	E-Signature & Date

XI.   Revision History

Version	Date	Author(s)	Revision Notes